



**Regular City Council Minutes
Tuesday, October 8th, 2024**

PLEDGE OF ALLEGIANCE

CALL TO ORDER AND ROLL CALL

Comprising a quorum of the City Council, the meeting was called to order at 5:00 pm with the following members present: Mayor George Deiss, Council Members Mark Lunde, Wade Miller, and Mac Nelson. Dan Sartell was absent.

CONSENT CALENDAR

Action Motion: Approved the consent calendar items.

- A. Claims Register Summary
- B. Monthly Financial Reports
- C. City Council Meeting Minutes:
 - a. September 10, 2024, Regular Meeting
 - b. September 23, 2024, General Fund Budget Work Session
 - c. September 24, 2024, Special Meeting
- D. Action 24-74: Accept Firefighter Tristin Godel Resignation

Moved by:	Nelson	Seconded by:	Lunde
Roll call vote:	Deiss, Lunde, Miller, Nelson		

NEW BUSINESS

First Reading of Ordinance 249: Amending City Code, Chapter 70 Traffic Regulations, Section 70.06 Relating to Special Vehicles

Councilmember Miller relayed that a committee made of the Police Chief, MN DNR, Council members Miller and Nelson, and City Administrator Schroeder met to develop the amendments. The main focus was a way to allow special vehicles to enter city limits spurring tourism, commerce, and revenue activity to local businesses.

This is the first reading to amend the city code.

Resolution 2024-31: Approved appointment of Mark Lunde to the Planning Commission board.

Moved by:	Nelson	Seconded by:	Miller
Roll Call Vote:	Deiss, Lunde, Miller, Nelson		

Resolution 2024-32: Authorizing Dan Kovar to execute MnDOT grant agreement for airport Snow Pusher improvement excluding land acquisition.

Dan Kovar states they had been trying to get a cost share agreement for this equipment for some time. Receiving this equipment will reduce the use of the trucks and make snow plowing more efficient. Total cost is \$38,765; MnDOT will cost share 75%, \$29,073.75, and the local city match is 25%, \$9,691.25.

The City has \$9,000 of Coronavirus Response and Relief Supplemental Appropriations Act (CRRSA) dollars available specific to the airport. The CRRSA funds need to be used by July 31, 2025. The funds will be used to offset the local match leaving the city's total cost at \$691.25.

Moved by:	Lunde	Seconded by:	Miller
Roll Call Vote:	Deiss, Lunde, Miller, Nelson		

Action 24-75: Approved tabling the electric rate increase recommendations until the November 12, 2024, regular meeting.

Tim Miller from Missouri River Energy outlined a series of proposed rate increases over the next five years, focusing to maintain competitive rates while covering rising costs. The last study in 2015 resulted in rate increases through 2019. Wadena has not had rate increases since 2019. The primary reason for recommending an increase is rising power costs from WMPMA and MRES, the main suppliers of electricity for the city. Other factors include general inflation, capital expenditures, and maintaining strong cash reserves for emergencies. With the recommendation most customer classes will receive approx. 3% increases. Rates are being rebalanced for fair fixed-cost recovery, particularly for facilities and large power users. One rate class will not subsidize another, Wadena has made strides over the past four or five studies to make sure that each class provides their own way of providing service.

A gradual shift to time-of-use rates is being considered, encouraging customers to use power during off-peak hours. They are suggesting an increase in energy rates by two-tenths of a cent every year over the next five years. The remainder of increases would go on the customer charge. This means, in 2025 the average residential customer increase is approx. \$2.50 per month. By 2029, it would be approx. at \$3.30 per month.

It's projected the overall revenue increase would be 26% through 202. Projected costs may rise by 37%, the revenue may not fully recover costs. More important is making sure there is enough money charged for capital expenditures and reserves.

If the City remained with its current rates, a net loss would be seen as early as 2027. Current cash reserves will decrease as funds are allocated to planned projects, however, it would continue to remain above typical benchmarks.

The recommendations are moderate annual increases to ensure the utility covers rising costs and maintains a healthy reserve without burdening customers with unplanned and abrupt rate hikes.

Moved by:	Lunde	Seconded by:	Nelson
Vote in Favor:	Deiss, Lunde, Miller, Nelson		

Memorandum: Crypto mining discussion.

WDA Director Dean Uselman is hearing from other communities raising concerns about high energy demands, noise, and potential community disturbances from large scale crypto mining. As an effort to stay ahead of this for Wadena before a potential issue Uselman is looking for form a committee to draft zoning and electric policy amendments. The committee would consist of Administrator, Utility Director, WDA Director and city attorney to create proactive management of future high-load users. Other cities policies and ordinances will be reviewed with recommendations at future council meetings.

Action 24-76: Approve to deny payment for utilities easement and waiving the County's utility assessment for Highway 10 Utility Project.

Wadena County is requesting the city compensate the county for city utilities easement along the county fairgrounds property as it did other property owners along the corridor. Also requests to waive the utility assessment.

It was noted the city has not paid for utility easements in the past. Also, that all properties are assessed the same, county and tax exempt status properties are not exempt and have historically been assessed.

It was also noted that the easement benefits the county by allowing expanded utility services for the fairgrounds with increased water and electrical capacity along with enhanced utility access. This option also reduces the current utility length.

The council agreed that government entities should work together and that the City is tasked with following assessment policies, past practices, and continue to work on other negotiations in the best interest of all taxpayers.

Moved by:	Lunde	Seconded by:	Nelson
Vote in Favor:	Deiss, Lunde, Miller, Nelson		

Action 24-77: Approved closing a portion of Aldrich Ave October 31, 2024, from 3:00-6:00 pm for Halloween Trunk or Treat.

Moved by:	Lunde	Seconded by:	Miller
Vote in Favor:	Deiss, Lunde, Miller, Nelson		

Action 24-78: Approved the Maslowski Center to apply for a 2024 \$50,000 Sourcewell grant, city local match is \$12,500 for a total of \$62,500.

Wellness Center Director Lisa Anderson along with the Friends of the Maslowski Center have identified the condition of the waterslide as the next project to repair. It is showing severe visual age.

The total project cost is estimated at \$129,000. The Sourcewell grant is 75/25% up to \$62,500; Sourcewell \$50,000, city match \$12,500. The Friends of the Maslowski Center are confident they can raise the remaining \$66,500.

Moved by:	Nelson	Seconded by:	Miller
Vote in Favor:	Deiss, Lunde, Miller, Nelson		

Action 24-79: Approved proclaiming October as Manufacturing Month.

Mayor George Deiss wants to recognize manufacturing businesses within city limits such as Kern Electronics, Homecrest, Timber Roots, etc. proclaiming October as Manufacturing Month.

Moved by:	Miller	Seconded by:	Nelson
Vote in Favor:	Deiss, Lunde, Miller, Nelson		

Action 24-80: Approved WDA to apply for a DEED Childcare grant application up to \$190,000.

WDA Director Dean Uselman states he's been working on a childcare shortage solution in Wadena. Plans have been happening with Astera to renovate a portion of the old hospital Legacy Campus estimated at \$335,000. If that doesn't happen, other options have been thought to utilize the old library or possibly build two duplexes on a lot in SW Wadena that is too shallow for a traditional home.

DEED recently announced a \$3,000,000 greater MN childcare grant opportunity.

He would like to apply for up to \$190,000 but could be as low as \$125,000.

The grant requires a 50% match. To date \$300,000 has been raised with city ARPA funds and pledges from local foundations and businesses. With the local match commitment, the grant should score high enough to be awarded.

Moved by:	Lunde	Seconded by:	Nelson
Vote in Favor:	Deiss, Lunde, Miller, Nelson		

Action 24-81: Approve Wadena business commercial loans up to \$3,000, 3% interest rate, amortized over two years with deferred payments for six months. City Administrator and WDA Director authorization to sign loans at time of application at their discretion.

In preparation of the 2025-2026 downtown TH71 construction, Dean Uselman along with the Council discussed offering local businesses low-interest loans to improve back entrances to buildings to ensure customer access and enhanced visual appeal during the construction period. The proposed loans would provide \$3,000 at a 3% interest rate, amortized over two years with deferred payments for six months, to reduce financial strain on businesses. Funding will come from up to \$30,000 in the city's commercial fix-up loan fund, with an additional \$30,000 potentially available from the Wadena Development Authority (WDA) if demand exceeds initial projections. This initiative aims to make minor improvements such as signage and sidewalk repair, creating welcoming entrances and customer flow. The Council also emphasized reserving some loan funds for unforeseen needs to maintain the overall fix-up fund's availability. Additional request to streamline the loan approval process is to allow the city administrator and/or WDA director to approve applications without bringing to the council and WDA.

Moved by:	Miller	Seconded by:	Lunde
Vote in Favor:	Deiss, Lunde, Miller, Nelson		

Action 24-82: Approve Purchase of 2024 Bobcat Portable Air Compressor

Utility Director Dave Evans would like to replace a 1994 air compressor used for wire installation and crack sealing. The replacement unit is in the current year's budget. Sourcewell provides a significant discount on the 2024 Bobcat PA185V Portable Air Compressor. The final cost after the Sourcewell discount is \$27,350. Dave would like to purchase from Bobcat of Alexandria due to shorter delivery times. There is no trade-in planned, but the old compressor could be sold separately on GovDeals.

Moved by:	Lunde	Seconded by:	Nelson
Vote in Favor:	Deiss, Lunde, Miller, Nelson		

MEETING OPEN TO THE PUBLIC AT 5:45PM

Nobody Present

DEPARTMENT REPORTS

Public Works Department – Dan Kovar

- Finishing the new Tapley Shelter, only item left is dirt work and plant grass seed.
- Winter Road Salt should be arriving soon.

Utilities Department - Superintendent David Evans

- Hydrants will be flushed for the next couple of days. Notifications were put on Facebook, Website, etc.
- Will be attending the Annual MRES meeting in Alexandria Oct 23rd.

Authority and Planning & Zoning – Dean Uselman

- A productive meeting was held with Astera regarding the childcare spaces in the legacy building. Is happy with the progress being made.

Police Department – Naomi Plautz

- Will be having a mandatory training all day at the high school in the wrestling rooms, to work on defensive tactics and skills. She will place a message on Facebook notifying parents it is training only.

Fire Department – Cody Yglesias

- Not Present

Wadena Liquor Store – Tim Booth

- Noted that THC sales have been increasing, seeing reasonable returns early on.

Maslowski Wellness and Research Center – Lisa Anderson

- Nothing to Add

Whitetail Run Golf Course – Kevin Ross

- Not present.

City Administrator – Kim Schroeder

- The city has received mostly positive feedback from the temporary Bryant Ave signal removal and Rapid Reflection Beacon staging. MnDOT was asked to leave the RRFB and removed stoplight as is until the 2025-2026 highway project. Since the RRFB's were installed in the street with temporary bump outs at each intersection corner the state would require the city to remove the snow between the bump out pavement and current sidewalks. Schroeder and Kovar felt this wasn't in the best interest of the city and traffic for all modes. The Rapid Reflection Beacons will be removed, and stoplights reinstalled until the project.
- No new updates on the Hwy 10 project. MnDOT is still finalizing plans.
- Still waiting on two utility easement property signatures on Hwy 10.

COUNCIL REPORTS

Dan Sartell: Not Present

Mark Lunde: Nothing to Add

Mac Nelson: Provided details on the benefit for Brad Cantleberry

Wade Miller: Nothing to Add

Mayor George Deiss: OCT 23rd The League of MN Cities will be at city hall for around 60 minutes, to discuss items around the area.

Gave updates on different city events coming up.

Mentioned Oak Grove passed a resolution to hand count ballots.

ADJOURNMENT**Action Motion: Unanimously Adjourned at 6:25pm.**

Moved by:	Lunde	Seconded by:	Nelson
Vote in favor:	Deiss, Lunde, Miller, Nelson		

George Deiss, Mayor

Attest: _____
Kim Schroeder, City Administrator